

Interview with CNBC on geopolitical tensions in the Middle East (including Israel's airstrikes on Syria), 17 Jul 2025

Dr. Nasser Saidi, president at Nasser Saidi & Associates, speaks to CNBC's Dan Murphy about geopolitical tensions in the Middle East including Israel's airstrikes on Syria, recent positive macroeconomic and financial developments in Syria, Banque du Liban banning banks & brokerages from dealing with Hezbollah-linked financial institution and also regarding Lebanon being on the FATF Grey list & steps the country needs to take to rectify this.

Direct link to the video:
<https://www.cnbc.com/video/2025/07/17/israels-strikes-on-syria-not-helpful-says-nasser-saidi.html>

Interview with BBC's World Business Report on World Bank's \$250mn funding to Lebanon, 26 Jun 2025

In an interview with BBC's World Business Report, Dr. Nasser Saidi discussed Lebanon's immense reconstruction and redevelopment needs following the war between Israel and Hizbollah and the devastation of infrastructure, housing,

agriculture, businesses and mass population displacement, adding to more than a decade of an absence of investments in infrastructure and public utilities and services.

Key points from the discussion below:

The World Bank recently approved a USD 250mn loan to launch a broader USD 1bn recovery and reconstruction initiative called the Lebanon Emergency Assistance Project – while a positive step, the amount is a drop in the ocean compared to what is required for reconstruction & redevelopment in Lebanon. The World Bank satellite-based estimates of reconstruction requirements of about \$11bn have to be complemented by in-depth field estimates. Israel's use of bunker buster bombs can have an impact destructive radius of up to 200m in urban areas.

Well-aware of the problems needed to be sorted out domestically, from economic policy and structural reforms to combating endemic corruption & the need for accountability and transparency. Reconstructing and redevelopment investments need to go in tandem with the other reforms. But it is a bit like the chicken & egg problem. If we don't have reconstruction, then poverty will grow & displacement and migration will continue, eventually leading to greater socio-economic and political instability.

I am an advocate of creating an international reconstruction fund (funding that comes mostly as grants rather than debt which cannot be sustained and serviced) to support LB with the strong backing and engagement of the GCC countries. A comprehensive package is required that includes a build up military, security assets and capability and political assistance to provide security and stability. This will be a massive support for the country that has seen a new boost in confidence with the new President Aoun, PM Salam & government – promising a strong willingness to reform, a break from the ineffective governments since the onset of crises in 2019.

Listen to the interview (Dr. Saidi joins from the 7:00 minute mark in the link below)

<https://www.bbc.co.uk/sounds/play/w3ct75vh>

“Lebanon at a crossroads: Reform or decay ahead?”, Oped in The National, 9 Apr 2025

The article titled “[Lebanon at a crossroads: Reform or decay ahead?](#)” appeared in the print edition of The National on 9th April 2025 and is posted below.

“Lebanon at a crossroads: Reform or decay ahead?”, Oped in The National

Nasser Saidi

Lebanon is in its sixth year of a protracted financial and liquidity crisis, facing security challenges on its borders with Israel and Syria, but appears to be on the cusp of recovery.

The country is battling several economic challenges – a plunge in gross domestic product per capita by about 40 per cent, a zombie banking sector, a highly dollarised, increasingly informal, cash-based economy, high multidimensional poverty and unemployment levels, increased inequality, plunge in its

currency's value by 97 per cent, high inflationary pressures (an average of 127 per cent over the past five years) and a collapse of public finances.

The new pro-reform president and prime minister along with a cabinet that has parliament's backing inspires confidence and appears committed to long-delayed economic reforms. Stability and recovery will require political and judicial reforms, along with institutional and structural reforms to ensure the rule of law and accountability, allowing the country to emerge from the heavy legacy of failed policies. Whether the incumbent parliament will enable the deep reforms given municipal and parliamentary elections in 2025 and 2026 respectively, adds uncertainty.

A new governor of the central bank has been appointed. Reforms are required to re-establish trust in the banking and financial sector and convince the world to risk investing in its recovery and reconstruction.

The first step should be to restructure the Banque du Liban (BDL) and its governance, appoint a new team of vice governors, restrict the powers of the governor to prevent past abuses, ensure public reporting, monitoring and accountability.

This is a unique opportunity to have a new reform-minded, effective BDL for the next six years. Given the severe monetary and real shocks Lebanon faces and the legacy of failed policies, the policy agenda should include:

- Reset monetary policy to target inflation, with a unified, floating exchange rate, shifting away from the “financial engineering” that supported a disastrous fixed rate policy.
- Institutional reform requires that the Banking Control Commission (BCC), Capital Market Authority and Special investigations Committee (SIC) be

legally independent from the BDL, given their distinct mandates and responsibilities, along with the appointment of new boards.

- The BDL should not provide any fiscal or quasi-fiscal (such as subsidies) financing. Public debt management should be the responsibility of an independent public debt management office to ensure transparency, disclosure of all public liabilities and debt sustainability.
- The new governors must undertake a comprehensive forensic audit of the BDL, in an effort to underscore accountability for the banking collapse.
- An independent Bank Resolution Authority (BRA) should be established – similar to what many countries set up following the 2008 global financial crisis – with a mandate to recapitalise and restructure the banking system. Bank restructuring should not reside with the BDL and BCC whose irresponsible governance led to the collapse of the banking system. The BRA should arrange for a forensic audit of the banks, while also imposing a recapitalisation – some \$10 billion to \$15 billion is required – a mergers and acquisitions (M&A) programme and a partial bail-in of large depositors, as part of the restructuring process. Banks have more than \$86 billion in frozen deposits, largely inaccessible since 2019. Depositors with less than \$200,000 represent 94 per cent of accounts and 30 per cent of the value of frozen deposits, while 70 per cent of deposits, valued at \$65.5 billion, are concentrated in 87,000 accounts.
- BDL assets, which include Middle East Airlines, Casino and Intra, should be audited and divested into a new, independent National Wealth Fund (NWF) – managed like Temsek in Singapore. The BDL could

receive participation shares in the NWF. The NWF would restructure and manage public commercial assets for the national benefit and also manage any future oil and gas revenue.

- Lebanon's Parliament should vote to abolish its banking secrecy law or or adopt a Swiss-style system. This along with an effective SIC to enforce international anti-money laundering and counter-terrorism financing standards and an effective anti-corruption drive are critical to remove Lebanon from the Financial Action Task Force (FATF) grey list. This should be complemented by a Stolen Asset Recovery (STAR) programme to help address anti-corruption, money laundering and recover stolen assets.
- Lebanon requires huge amounts – some \$15 billion to \$20 billion – for reconstruction and it does not have the resources. It should set up an independent reconstruction fund, with full transparency, disclosure, auditing and reporting, to ensure Lebanon is accountable for the funding of reconstruction. Donors and aid givers should be allowed to undertake reconstruction projects within an agreed plan.
- Lebanon should rapidly negotiate and implement a new agreement with the International Monetary Fund based on comprehensive economic and financial reforms under five pillars – restructuring the financial sector; fiscal reforms; reforms of state-owned enterprises; strengthening governance; a credible, transparent monetary and exchange rate system. The IMF agreement and international support, mainly from the GCC, are imperative but will be conditional on undertaking a comprehensive set of deep governance, economic, monetary, fiscal and structural reforms.

This is a moment of opportunity to undertake multipronged reforms to revive confidence and economic activity, attract back human capital, improve long-term growth prospects, and strengthen and restore linkages with the GCC. Lebanon faces reform or continued decay.

Nasser Saidi is a former economy minister and deputy governor of Lebanon's central bank

Comments on Lebanon's next central bank lead, FT, 26 Mar 2025

Dr. Nasser Saidi commented on the choice of Lebanon's next central bank governor in the FT article titled "Lebanon closes in on next central bank head" published on 26th March 2025.

The full article can be accessed at: <https://www.ft.com/content/4453da90-ff34-4939-be79-b1cb060e4218>

The comments are posted below:

Nasser Saidi, a former minister and BdL vice-governor, warned that powerful interest groups were wielding too much influence over the selection process. "The stakes are too high: you cannot have the same people responsible for the biggest crisis Lebanon has ever been through also trying to restructure the banking sector," he said.

"How are we going to convince the rest of the world that it can trust Lebanon's banking system, and provide the country with the funding it needs to rebuild [after the war]?"

Interview with BBC's World Business Report on IMF's recent visit to Lebanon and need for comprehensive reforms, 14 Mar 2025

In an interview with BBC's World Business Report, Dr. Nasser Saidi offered his insights and assessment on the IMF's recent visit to Lebanon and need for comprehensive reforms.

Listen to the interview (Dr. Saidi joins from 4:30 to 10:30 in the link below)

<https://www.bbc.co.uk/sounds/play/w3ct5zty>

“What does Lebanon's new government mean for its future?”, Chatham House webinar, 6 Mar 2025

Dr. Nasser Saidi participated in the panel discussion titled “What does Lebanon's new government mean for its future?”

hosted by Chatham House on March 6th, 2025.

The webinar examines the new government's likely approach to political and economic reform, Lebanon's evolving position in regional and international affairs, and the impact of U.S. policy on the country's future.

Watch the discussion [here](#) (no login necessary).

“Lebanon’s journey to renewal starts now”, Op-ed in Arabian Gulf Business Insight (AGBI), 20 Jan 2025

The opinion piece titled “[Lebanon’s journey to renewal starts now](#)” was published in Arabian Gulf Business Insight (AGBI) on 20th January 2025.

A version of this article, titled “[With a New Government in Charge, a New Era in Lebanon Beckons](#)”, was published in Afkar (managed by the Middle East Council on Global Affairs).

Lebanon’s journey to renewal starts now

Hope and optimism follow the arrival of a new

prime minister and president

The nomination of Nawaf Salam as Lebanon's prime minister under President Joseph Aoun, following more than two years of political vacuum, marks a turning point for the country.

This moment has the potential to be as transformative as the 1989 Taif agreement, which ended the civil war and restored political stability.

A major factor behind the developments in Lebanon is the significant shift in regional dynamics. This has been driven by the [war in Gaza](#), the collapse of the Assad regime in Syria, the severe degradation of Hezbollah's capabilities and the apparent collapse of Iran's "axis of resistance".

Together, these events have created a powerful impetus for change.

For the leading powers in the GCC – Saudi Arabia and the UAE – this moment provides an opportunity to displace Iran from Lebanon, Iraq and Syria while reasserting their own influence. Both regional and international stakeholders share an interest in promoting stability.

Lebanon's political landscape has been historically paralysed by internal fragmentation. Now, at last, the country's political class, plagued by a lack of credibility, incompetence and failure to address Lebanon's many crises or implement long-overdue reforms, is passing on the baton.

But Salam and Aoun inherit a heavy legacy.

Since the Arab Spring in 2011, Lebanon has battled stalled institutional reforms, unsustainable fiscal and monetary policies and overvalued exchange rates. These factors contributed to significant deficits in the government budget and current account, along with massive debt accumulation.

The country's central bank, the Banque du Liban, allegedly ran a Ponzi scheme for many years during the tenure of Riad Salameh, who was its governor for three decades. He has denied all wrongdoing and the notion that the bank was operating a Ponzi scheme.

The bank's activities contributed significantly to Lebanon's economic collapse, depleting international reserves, sparking a 99 percent depreciation of the exchange rate, hyperinflation, a collapse of the banking system and one of the deepest financial crises in the country's history.

Central bank losses exceeded 200 percent of GDP. Lebanon became a cash – and increasingly dollarised – economy. The polycrisis (economic, monetary and financial, institutional, security, political and governance), along with the Beirut Port explosion and the Israel-Hezbollah war, turned Lebanon from a fragile state into a failed one.

Despite the long road ahead for Aoun and Salam, we have reasons for optimism.

The president's inaugural speech encapsulated much promise for a new Lebanon. There were strong messages on political reform, rebuilding the state and its institutions, focusing on judicial and administrative reform, the rule of law, accountability and fighting endemic corruption.

Institutional and judicial reform will be complemented by a national anti-corruption drive and transparency initiatives while demanding accountability for multiple crises and destruction.

President Aoun's political vision mirrors that of former President Fouad Chehab (1958-1964), who introduced reforms and built state institutions. With extensive military and security experience, President Aoun is adept at establishing domestic and external national security.

A packed agenda starts with forming a reform-centric, cohesive, competent and effective cabinet. The critical portfolios are justice, foreign affairs, defence and internal affairs, as well as finance.

With the Israel-Lebanon ceasefire agreement set to expire on January 26, the immediate need is to negotiate a permanent ceasefire to restore internal security and stability and enable the return of the displaced to the south, Bekaa and other areas.

Macroeconomic stabilisation and growth require fiscal consolidation and tax reform, modernising and digitising all government functions, administrative reform (over half of director-level posts are vacant), downsizing the bloated public sector, restructuring and effecting good governance of the state-owned enterprises (SOEs) responsible for public services.

An independent National Wealth Fund should be established to professionally manage all SOEs, commercial public assets and future oil and gas revenues.

Credible monetary reform requires a strong, professional and politically independent central bank. Monetary policy should be directed at controlling inflation and accompanied by a flexible exchange rate regime.

Additionally, a comprehensive overhaul of Banque du Liban's governance structure is necessary to implement meaningful change and restore confidence.

To make the BDL accountable, a new governor (and deputy governors by June 2025) and radical changes to governance are required. The Banking Control Commission of Lebanon, the Special Investigation Commission and the Capital Markets Authority should also be independently governed institutions.

Furthermore, an independent Bank Resolution Authority must

restructure the banking system based on recapitalisation (starting with existing shareholders), mergers and acquisitions, and bail-ins of large depositors to maximise deposit recovery.

The implementation of political reforms, a comprehensive restructuring agenda, and institutional and structural changes will pave the way for a revised International Monetary Fund programme and renewed engagement with the GCC.

These efforts can support Lebanon's reintegration into the Arab world, facilitate funding for redevelopment and address substantial reconstruction needs, estimated at approximately \$25 billion.

In essence, this is a historic opportunity for Lebanon, the GCC and the wider region.

Dr Nasser Saidi is the president of Nasser Saidi and Associates. He was formerly chief economist and head of external relations at the DIFC Authority, Lebanon's economy minister and a vice governor of the Central Bank of Lebanon

Interview with Al Arabiya (Arabic) on optimism in Lebanon's following election of new leaders, 15 Jan 2025

In this TV interview with Al Arabiya aired on 15th January

2025, Dr. Nasser Saidi highlights the historic opportunity for Lebanon following the selection of Joseph Aoun as President & Nawaf Salam as Prime Minister.

Watch the TV interview via this [link](#)

هل يعود المستثمرون إلى لبنان بعد تولي الرئيس عون؟

قال رئيس شركة ناصر السعيد وشركاؤه، الدكتور ناصر السعيد، إن لبنان أمام فرصة تاريخية بعد انتخاب الرئيس جوزيف عون وتسمية نواف سلام رئيسا للحكومة، وهو ما يمثل انطلاقة جديدة للبنان، مشيراً إلى أهمية اتفاق الطائف التي أوقف سنوات من الحروب في لبنان.

وأضاف السعيد، أن الظروف الإقليمية تغيرت وتسمح لتغير وتحول كبير في لبنان، مع العمل على إعادة بناء المؤسسات والدولة وإعادة القانون، ما سيمثل انطلاقة كبيرة تعطي ثقة للمجتمع الدولي مع تدخل ودعم من دول الخليج لا سيما من السعودية وهو ما يعطي تفاؤلاً لعودة المستثمرين إلى لبنان.

Comments on Lebanon's

Eurobonds rally in The National, 9 Jan 2025

Dr. Nasser Saidi's comments on the rally in Lebanon's Eurobonds appeared in an article in The National titled ["Lebanon's Eurobonds rise amid election of Joseph Aoun as president"](#) published on 9th January 2025.

The comments are posted below.

"The strong rally in Lebanon's government Eurobonds stems from the optimism that the election of Joseph Aoun as the next President, would lead to the implementation of much-needed deep institutional and structural reforms, and a national anti-corruption drive," Nasser Saidi, a former economy minister and deputy governor of Lebanon's central bank, told The National.

The rally, however, is expected to "be short-lived", and will depend on the choice of an effective prime minister and government formation at an early date, he added.

"The need for Lebanon is to have a strong-willed PM and cohesive, competent, and effective government willing to undertake structural reforms without bowing to political pressure. Concurrently, there needs to be a permanent ceasefire in the South to help stabilise the country," Mr Saidi said.

"The right governance set-up and transparency is vital for Lebanon's next step towards reform implementation," Mr Saidi said. "Reforms will need to range from restructuring the banking and financial sector, restructuring external debt, in addition to reforms including fiscal consolidation and reform, downsizing of the public sector, effective management and governance of the state-owned enterprises, in addition to creating a credible, transparent monetary and exchange rate system [including the move to a flexible exchange rate regime]."

Lebanon will also have to negotiate a new agreement with the IMF as the political, economic, banking, and financial landscape has changed dramatically since the previous IMF staff level agreement in 2020, he added.

“Economic Costs & Consequences of the War on Lebanon” Presentation to LIFE, 21 Nov 2024

Dr. Nasser Saidi shared his views on the topic “Economic Costs & Consequences of the War on Lebanon” at [LIFE Lebanon](#)’s event held in Dubai on 21st November 2024.

The main discussion points spanned the below headings:

- Middle East is at multiple crossroads, living consequences of wars & violence
- Lebanon: in the clutches of a protracted polycrisis
- Economic consequences & costs of war on Lebanon
- Lessons & Proposals
- Key Takeaways

The presentation can be downloaded [here](#).

Interview with CNBC on Fitch Ratings' decision to withdraw Lebanon ratings, 26 Jul 2024

Dr. Nasser Saidi, president at Nasser Saidi & Associates, speaks to CNBC's Dan Murphy about what led to Fitch Ratings' decision to stop rating Lebanon.

Interview with CNBC on the potential reform path for Lebanon's Banque du Liban, 31 Jul 2023

Dr. Nasser Saidi, Lebanon's Former Minister for Economy, speaks to CNBC's Dan Murphy about the state of Lebanon's central bank & potential path for the Banque du Liban after Riad Salameh's 30-year term at the helm comes to an end (on 31st July 2023).

Dr. Saidi says: "Losses to the tune of \$76bn at the BDL. There has been zero accountability of the BDL for the biggest financial crisis in history that has destroyed Lebanon's economy. This needs to change!"

“The Gulf Falcons Report”, prepared for the Abu Dhabi Finance Week, 14 Nov 2022

[“The Gulf Falcons Report”](#) (click to download) was prepared by Nasser Saidi & Associates (commissioned by the Abu Dhabi Global Markets) for the Abu Dhabi Finance Week held from 14-18 Nov 2022.

Introductory remarks

The Gulf Falcons embody a vision of the future for the Gulf, transforming, in three decades, from an empty desert to the new opportunities of space. The GCC have fast growing populations and economies, and maintained macroeconomic stability despite global and regional crises.

The largest Gulf Falcons, Saudi Arabia and the UAE account for 34% of MENA’s GDP and 42% of its total trade. Sound macroeconomic policies, good governance and institutions enabled the Gulf Falcons to use their 30% of global oil reserves to transform and diversify their economies, build world class infrastructure, achieve high GDP growth, and run fiscal, current and balance of payment surpluses. Major strides have been achieved in raising the standards of living and human development.

In its next phase of diversification, the region will benefit from global fragmentation while choosing to explore new routes to development, investing in digitalisation and new tech sectors. Implementing a regionalised globalisation policy, the rising Gulf Falcons will drive and support regional economic integration and transformation.

The Gulf Falcons with their SWFs and international financial centres are fast becoming a global financial powerhouse, with the ability to globally manage, control and deploy wealth. The Gulf Falcon Markets are key to financing the drivers of regional transformation, through (a) by financing the emerging new global energy map, the energy transition, renewables and combating climate change. The UAE and Saudi can become global clean energy finance hubs; (b) structural change through financing infrastructure, privatisation, PPP, efficient management of State assets, and de-risking fossil fuel assets; (c) financing regionalised globalisation to enable greater economic integration and transformation of the GCC-connected region including Middle East and East Africa; (d) financing digitalisation and investment in new and disruptive technologies will open new avenues of growth.

Comments in The Banker article “Lebanese Financial Crisis Drags On”, Jul 2022

Dr. Nasser Saidi comments on the ongoing economic and financial crisis in Lebanon appeared in the July 2022 edition of The Banker, in an article, titled “Lebanese Financial Crisis Drags On”.

The comments are posted below and the article can be [directly accessed on The Banker’s website \(subscription only\)](#).

“The roots of [the crisis] can be traced to years of large fiscal deficits (current wasteful spending without any build-up of infrastructure or real public assets), leading to a growing debt burden, [and] an increasingly overvalued Lebanese pound generating persistent current account deficits,” Nasser Saidi, Lebanon’s former minister of economy and trade and a former BdL vice-governor, told The Banker.

“Malgovernance, endemic corruption, incompetence, failed policies and dysfunctional politics have tipped Lebanon from being a fragile state into a failed state.”

While political paralysis prevented the passage of capital control laws at the beginning of the crisis, banks applied sporadic controls from early to late 2019, tightening them further as time went on. Yet the patchwork system of the initial restrictions “allowed politicians and cronies, bank shareholders and bankers, the ‘privileged and connected’ to transfer over \$10bn at the expense of continued depletion of international reserves and destruction of confidence in the banking system,” Mr Saidi told The Banker.

“Lebanon: Failed State or Transformation?” Presentation to LIFE, 9 Jun 2022

Dr. Nasser Saidi shared his views on the topic “Lebanon: Failed State or Transformation?” at [LIFE Lebanon](#)’s event held in Dubai on 9th June 2022.

The main discussion points spanned the below headings:

- *Lebanon's Path to Economic Collapse*
- *Roots of Lebanon's meltdown*
- *Reforms & Transformation*

The presentation can be downloaded [here](#).

Interview with Asharq Business (Bloomberg) on economic growth prospects in MENA/ GCC region, 25 Jan 2022

Dr. Nasser Saidi joined Asharq Business (Bloomberg) on 25th January 2022, following the release of the Jan 2022 update of the IMF's World Economic Outlook, to touch upon the growth prospects in the GCC and wider Middle East and North Africa region.

Watch the interview (in Arabic) at this [link](#).

د. ناصر السعيد: توقعات الأسواق مبنية على التشدد في السياسة النقدية للفيدرالي الأميركي

الدكتور ناصر السعيد | رئيس شركة ناصر السعيد وشركاه: توقعات الأسواق مبنية على التشدد في السياسة النقدية ورفع أسعار الفائدة من قبل الفيدرالي الأميركي. *شهدنا العام الماضي نسب نمو مرتفعة، *سياسة "صفر إصابات بكورونا" في الصين أثرت على الاقتصاد المحلي Berenberg Gossler: والدولي. سالمون فيدلر | محلل اقتصادي في هناك حالة من التباطؤ في النمو الاقتصادي العالمي.

Comments on Lebanon's "slippery slope to mayhem" in Reuters, 23 Aug 2021

Dr. Nasser Saidi's comments appeared in the Reuters article titled "[Analysis: Leaderless Lebanon on slippery slope to mayhem](#)", published 23rd August 2021.

Comments are posted below, on the upcoming elections in spring:

"Will there be the courage to undertake these reforms? I doubt it. The policymakers seem to be interested in tiding things over and kicking the can down the road until elections next year," said Nasser Saidi, a former economy minister and central bank vice governor.

"You need immediate reforms. You need shock therapy to restore confidence," he said.

Comments on Lebanon's bank recapitalisation efforts in Al Joumhouria (Arabic), 27

Feb 2021

Dr. Nasser Saidi's comments on bank recapitalisation efforts in Lebanon can be accessed in the [Al Joumhouria article](#) published on 27th Feb, 2021.

The comments are copied below:

وفي هذا الاطار، أوضح الوزير السابق ونائب حاكم مصرف لبنان سابقاً ناصر السعيدي انّ زيادة رأس المال المطلوبة لا تمثّل سوى 15 في المئة فقط من المطلوب لأنّ المصارف خسرت كامل رأسمالها، معتبراً انّ زيادة رأس المال هي جزء بسيط من حلّ شامل مطلوب هو إعادة هيكلة القطاع المصرفي في اسرع وقت ممكن ضمن خطة متكاملة، ومن خلال إعادة هيكلة ديون الدولة وديون مصرف لبنان والديون المتعثرة للقطاع الخاص.

واعتبر انّ رأس مال المصارف بحاجة لزيادة بمقدار 20 الى 25 مليار دولار، وبالتالي فإنّ الزيادة الحالية البالغة 3 مليارات دولار غير كافية على الإطلاق لتغطية الخسائر في الديون الحكومية وفي التوظيفات لدى مصرف لبنان، ناهيك عن القروض المتعثرة المتزايدة للقطاع الخاص بسبب حالات الإفلاس والتعثر.

وأشار السعيدي لـ«الجمهورية» الى انّ المصارف لم تقم بزيادة رأسمالها من خلال زيادة فعلية لأموالها الخاصة عن طريق المساهمين، بل لجأت الى زيادة رأس مالها عبر شراء دولارات من السوق المحلي ما أدّى الى تقليص حجم السيولة بالدولار في السوق وأعادها الى المصارف، علماً انها لن تستخدمها لتمويل القطاع الخاص بل لتغطية جزء من خسائرها.

كما شرح السعيدي انّ نسبة السيولة الخارجية المطلوب تأمينها من قبل المصارف (3 %) ضئيلة ولن ترضي المصارف المراسلة التي بدورها لن تعاود فتح خطوط اعتماد للمصارف اللبنانية، بل ستواصل تأمين التحويلات المالية التي تتوفر اموالها نقداً فقط، مما سيُبقى على التأثير السلبي على التجارة الخارجية للبنان وعلى تجارة المغتربين اللبنانيين الذين أودعوا اموالهم في المصارف اللبنانية وتم تجميدها ممّا أدّى الى تعطّل كافة اعمالهم التجارية وبلغوا حدّ الإفلاس.

Currency Board: Salvation for Lebanon's Woes? Presentation at LIFE webinar, 4 Feb 2021

Dr. Nasser Saidi shared his views on the topic **"Currency Board: Salvation for Lebanon's Woes?"** at [LIFE Lebanon's](#) webinar held on 4th February 2021, **concluding that a Currency Board is NOT a salvation for Lebanon's woes.**

The main discussion points were:

- What are Currency Boards? Main characteristics.
- Currency boards in history and practice: colonial history, recent examples
- Macroeconomic requirements for a sustainable currency board
- Is a Currency Board feasible for Lebanon? Reforms and requirements
- A Currency Board is not a salvation for Lebanon's woes

The presentation can be downloaded [here](#).

"Lebanon awaits deep and immediate reforms", Oped in AnNahar, 14 Feb 2021

The Arabic version of the article titled "Lebanon awaits deep

and immediate reforms” can be accessed on the [website](#). Scroll down for the English translation.

لبنان Libazuela... هرباً من ينتظر إصلاحات عميقة وفورية

لبنان دولة فاشلة. إذ تغيب سيادة القانون، ويستشري الهدر والفساد، ويتزايد الاستقطاب السياسي. وحيث الافتقار للمساءلة (لنتذكر انفجار مرفأ بيروت الكارثي والاعتقالات)، وتصادد القمع الحكومي العنيف للاحتجاجات. لبنان غارق في أزمات متداخلة في المالية العامّة والديون والمصارف والعملية وميزان المدفوعات، ما أدّى إلى [#كساد اقتصادي](#) وأزمة إنسانية تجلّت في فقر يعيشه نحو 50% من السكّان، وفقر في الغذاء لدى 25% منهم. وقد دُمّرت الركائز الأساسية للاقتصاد اللبناني القائم على التجارة والسياحة، والخدمات المصرفية والمالية، والخدمات الصحيّة والتعليمية، ربما بشكل لا يمكن إصلاحه. ويحلّ الانهيار الاقتصادي والنقدي، الذي أدّى لانخفاض قيمة الليرة اللبنانية بنسبة 80% وإلى ضريبة تضخّم بنسبة 130%، نتيجة لانهيار مخطط بونزي وعمليات الهندسة المالية لمصرف لبنان، إلى جانب أخطاء سياسية متعددة. والأهمّ، أنه كان من الممكن تجنّب الأحداث الدرامية التي وقعت خلال 2019-2020.

برغم ذلك لا يزال الأمل موجوداً، إن اعتُمدت إصلاحات اقترح منها التالي:

حكومة قويّة من خبراء السياسة العامّة المستقلين بصلاحيات - استثنائية لفترة محدودة.

تنفيذ تدابير إصلاح بناء الثقة، لخفض عجز الميزانية بشكل مستدام، بما فيها إزالة الوقود والكهرباء والإعانات الأخرى (20% فقط منها تذهب إلى الفقراء والمحتاجين) والاستعاضة عنها بالتحويلات النقدية المباشرة، كجزء من صافي الأمان الاجتماعي المستهدف.

التخلّص من نظام سعر الصرف المتعدد المشوّه، والانتقال - تدريجياً - إلى أسعار الصرف المرنة.

- إعادة هيكلة الجهاز المصرفي و [#إصلاح مصرف لبنان](#).

- إعادة هيكلة الديون العامّة وديون مصرف لبنان.

التفاوض بشأن برنامج صندوق النقد الدولي وخطة “مارشال”، - بتمويل متعدد الأطراف من المؤسسات المالية الدولية والمشاركين في “سيدر”، بمن فيهم الاتحاد الأوروبي ومجلس التعاون الخليجي. وهذا من شأنه أن يُترجم تمويلًا للبنية التحتية، وإعادة الإعمار، والوصول إلى السيولة، وتحقيق الاستقرار وإنعاش النشاط الاقتصادي للقطاع الخاص.

العمل مع المجتمع الدولي (بما في ذلك الولايات المتحدة -

والاتحاد الأوروبي وبريطانيا وسويسرا وغيرها) لفرض عقوبات شخصية، وتجميد أصول السياسيين وصانعي السياسات والمنظمين الرئيسيين في لبنان، كجزء من برنامج استرداد الأصول المسروقة بدون مثل هذه الإصلاحات السياسية العميقة والفورية، سنتّجه نحو عقد ضائع، وسط هجرة جماعية واضطرابات اجتماعية وسياسية وعنف، "Libazuela" وسيحوّل لبنان إلى

English translation

Lebanon is a failed state, with an absence of the rule of law, endemic waste and corruption, growing political polarization, lack of accountability (witness the cataclysmic Port of Beirut explosion, assassinations), and mounting government violent repression of protests. Lebanon is engulfed in overlapping fiscal, debt, banking, currency and balance of payments crises, resulting in an economic depression and humanitarian crisis with general and food poverty affecting some 50% and 25%, respectively, of the population. The main pillars of Lebanon's economy -trade and tourism, banking & finance, health and educational services- have been destroyed, if not irretrievably. The economic and monetary meltdown, resulting in an 80% depreciation of the Lebanese Pound and a 130% inflation tax, is the result of the collapse of the Ponzi scheme and 'financial engineering' operations of the BDL along with multiple policy errors. Importantly, the dramatic events of 2019-2020 were avoidable.

There is hope through:

1. A strong government of independent, public policy experts, with extraordinary powers for a limited period;
2. Implement confidence building reform measures to sustainably cut the budget deficit, including by removing fuel, electricity and other subsidies (only 20% of which go to the poor and needy) and replacing with direct cash transfers, as part of a targeted social safety net.
3. Scrap the distortionary multiple exchange rate system and gradually move to flexible exchange rates.
4. Restructure the banking system and reform the BDL.
5. Restructure the public and BDL debts.
6. Negotiate an IMF programme and a 'Marshall plan' with

multilateral funding from international financial institutions and Cedre conference participants, including the EU and the Gulf Cooperation Council. This would translate into financing for infrastructure, reconstruction, access to liquidity, and stabilise and revive private sector economic activity.

7. Act with the international community (including US, EU, UK, Switzerland and others) to impose personal sanctions and freezing of the assets of Lebanon's main politicians and policy makers and regulators, as part of a Stolen Asset Recovery programme.

Without such deep and immediate policy reforms, Lebanon is heading for a lost decade, with mass migration, social and political unrest and violence. Lebanon will become "Libazuela".

Bloomberg Daybreak Middle East Interview, 20 Dec 2020

Dr. Nasser Saidi joined Yousef Gamal El-din on the 20th of December, 2020 as part of the Bloomberg Daybreak: Middle East edition, to discuss impact of Covid19 on economic activity, in addition to the US stimulus and unemployment, speculative frenzy in the markets, US-China tech "war" and Brexit negotiations.

Watch the interview below – Dr. Nasser Saidi joins from 05:30 till 15:00. The original link to the full episode:

<https://www.bloomberg.com/news/videos/2020-12-20/-bloomberg-daybreak-middle-east-full-show-12-20-2020-video>

Interview with Asharq Business (Bloomberg) on Lebanon, 3 Dec 2020

Dr. Nasser Saidi joined Asharq Business (Bloomberg) on 3rd Dec 2020, to speak about the Lebanon, its need for reforms and the latest aid conference.

Watch the interview (in Arabic) at this [link](#).

ناصر السعيد: انهيار الاقتصاد اللبناني متعمّد وليس سوء إدارة

أكد الاقتصادي اللبناني ناصر السعيد، أن انهيار الاقتصاد في لبنان، وتردي الأوضاع المعيشية، لم ينتج عن إهمال أو سوء إدارة، إنما كان نتيجة تعمّد من المصرف المركزي، والحكومة اللبنانية لإفقار الشعب اللبناني.

وأكد الرئيس والمؤسس لشركة ناصر السعيد، أن المصرف اللبناني يفتقد للشفافية في إدارة السياسة النقدية للبلاد، مشيراً أيضاً إلى أن الحكومة تعتمد سياسة مالية خاطئة في ضوء مخصصات الدعم الحالية التي لا تنعكس على الفقراء في لبنان، كونها تصل إلى 20% فقط من المحتاجين في البلاد، وتُسرّب باقي مخصصات الدعم في قطاعات لا تحقق استفادة للشعب.

وأضاف السعيد في لقاء مع قناة الشرق للأخبار، أن مؤتمر دعم لبنان المنعقد برعاية فرنسية، ومنظمات دولية، يستهدف الضغط على المسؤولين اللبنانيين لاتخاذ إجراءات جادة، من أجل إنقاذ لبنان من الانهيار الحالي.

Bloomberg Daybreak Middle East Interview, 8 Nov 2020

Dr. Nasser Saidi joined Manus Cranny and Yousef Gamal El-din on the 8th of November, 2020 as part of the Bloomberg Daybreak: Middle East edition, to discuss policy priorities for the Biden administration domestically. Also discussed were potential changes in markets (currency, oil) and signs of foreign policy shift.

Watch the interview below – Dr. Nasser Saidi joins from 54:00 till 1:06:20. The original link to the full episode: <https://www.bloomberg.com/news/videos/2020-11-08/-bloomberg-daybreak-middle-east-full-show-11-08-2020-video>

Bloomberg Daybreak Middle East Interview, 25 Oct 2020

Dr. Nasser Saidi joined Manus Cranny on the 25th of October, 2020 as part of the Bloomberg Daybreak: Middle East edition, to discuss the US presidential elections and impact on markets, in addition to economic recovery prospects amid the Covid19 pandemic's resurgence and discussing the much-needed steps to recovery under the newly appointed PM in Lebanon.

Watch the interview below – Dr. Nasser Saidi joins via phone (from 1:01:00 till 35:42). The original link to the full

episode:

<https://www.bloomberg.com/news/videos/2020-10-25/-bloomberg-daybreak-middle-east-full-show-10-25-2020-video>

"Overcoming Lebanon's economic crisis", viewpoint in The Banker, Oct 2020

This article, titled "Overcoming Lebanon's economic crisis", appeared as a viewpoint in the Oct 2020 edition of The Banker. The article, posted below, can be [directly accessed on The Banker's website](#).

Overcoming Lebanon's economic crisis

Lebanon's financial and economic crises can only be solved with meaningful reform, without which it faces a lost decade of mass migration, social and political unrest and violence.

Violence and crises have shattered Lebanon's pre-1975 Civil War standing as the banking and financial centre of the Middle East. Lebanon is engulfed in overlapping fiscal, debt, banking, currency and balance of payments crises, resulting in an economic depression and humanitarian crisis with poverty and food poverty affecting some 50% and 25% respectively of the population. The Lebanese Pound has depreciated by some 80% over the past year, with inflation running at 120% and heading to hyperinflation. A Covid-19 lockdown and the Port of Beirut horrendous explosion on August 4th created an apocalyptic landscape, aggravating the economic and unprecedented humanitarian crises. The cost of rebuilding is estimated to exceed \$10 billion, more than 25% of current GDP, which Lebanon is incapable of financing.

The economic and financial meltdown is a culmination of unsustainable fiscal and monetary policies, combined with an overvalued fixed exchange rate. Persistently large budget deficits (averaging 8.6% of GDP over the past 10 years), structural budget rigidities, an eroding revenue base, wasteful subsidies, government procurement riddled with endemic corruption, all exacerbated fiscal imbalances.

Meanwhile, a monetary policy geared to protecting an increasingly overvalued exchange rate, led to growing trade and current account imbalances and increasingly higher interest rates to attract deposits and capital inflows to shore up dwindling international reserves. Deficits financed current spending, with limited real investment or buildup of real assets, while high real interest rates stifled investment and growth.

The unsustainable twin (current account and fiscal) deficits led to a rapid build-up of public debt. Public debt in 2020 is running at \$111 bn, including \$20 bn of debt at Banque du Liban (BdL), the country's central bank. This figure represents more than 184% of GDP— the second highest ratio in the world behind Japan, according to the IMF. Most of this debt is held by domestic banks and BdL, with 13% held by foreigners.

Financing government spend

The BdL's financing of government budget deficits, debt monetisation, large quasi-fiscal operations (such as subsidising real estate investment) and bank bailouts, created an organic link between the balance sheets of the government, the BdL and banks. In effect, depositors' monies were used by the banks and the BdL to finance budget deficits, contravening Basel III rules and prudent risk management.

BdL policies led to a crowding-out of both the private and public sectors, and to disintermediation: the government could no longer tap markets, so BdL acted as financial intermediary i.e. paying high rates to the banking system, while allowing the government to borrow at lower rates. The higher rates increased the cost of servicing the public debt, with debt

service representing some 50% of government revenue in 2019 and over one third of spending. Credit worthiness rapidly deteriorated, leading to a 'sudden stop' in 2019, with expatriate remittances and capital inflows moving into reverse.

The crisis Lebanon is now experiencing is the dramatic collapse of what economists describe as a Ponzi-like scheme engineered by the BdL, starting in 2016 with a massive bailout of the banks equivalent to about 12.6% of GDP. In a bid to protect an overvalued LBP and finance the workings of government, the BdL started borrowing at ever higher interest rates, through so-called "financial engineering" schemes, which evolved into a vicious cycle of additional borrowing to pay maturing debt and debt service, until confidence evaporated and reserves were exhausted.

With the BdL unable to honour its foreign currency obligations, Lebanon defaulted on its March 2020 Eurobond and is seeking to restructure its domestic and foreign debt. The resulting losses of the BDL exceed \$50 bn, equivalent to 2019 GDP, a historically unprecedented loss by any central bank.

With the core of the banking system, the BDL, unable to repay banks' deposits, the banks froze payments to depositors. The banking and financial system imploded. The bubble burst in the last quarter of 2019, with a rapid depreciation of the LBP during 2020. The BDL's costly attempt to defy the "impossible trinity" by simultaneously pursuing an independent monetary policy, with fixed exchange rates and free capital mobility resulted in growing imbalances, a collapse of the exchange rate and an unprecedented financial meltdown.

Economic disaster

A series of policy errors triggered the banking and financial crisis, starting with the closure of banks in October 2019, ostensibly because of anti-government protests decrying government endemic corruption, incompetence and lack of reforms. A predictable run on banks ensued, followed by informal capital controls, foreign exchange licensing, freezing of deposits, inconvertibility of the LBP and payment

restrictions to protect the dwindling reserves of the BDL. These errors precipitated the financial crisis, generating a sharp liquidity and credit squeeze, the sudden stop of remittances and the emergence of a system of multiple exchange rates.

The squeeze severely curtailed domestic and international trade and resulted in a loss of confidence in the monetary system and the Lebanese pound. With the outbreak of Covid19 and lockdown measures came a severe drop in tax receipts, resulting in the printing of currency to cover the fiscal deficit, generating a vicious cycle of exchange rate depreciation and inflation. The black market exchange rate touched a high of LBP 9800 in early July, before steadying to around LBP 7400 in early September (versus the official peg at 1507). In turn these policy measures led to a severe economic depression, with GDP forecast to decline by 25% in 2020, with unemployment rising to 50%.

In response to the crisis, the government of Hassan Diab prepared a financial recovery plan that comprised fiscal, banking, and structural reforms as a basis for negotiations with the IMF. In effect, the Diab government and Riad Salameh, governor of the BDL deliberately implemented an inflation tax and an illegal 'lirafication' – a forced conversion, a spoliation, of foreign currency deposits into LBP to achieve internal real deflation. The objective is to impose a 'domestic solution' and preclude an IMF programme and associated reforms.

The apocalyptic Port of Beirut explosion on August 4, compounded by official inertia in responding to the calamity, has led to the resignation of the Diab government and appointment of a new PM, Mustafa Adib. Economic activity, consumption and investment are plummeting, unemployment rates are surging, while inflation is accelerating. Confidence in the banking system and in macroeconomic and monetary stability has collapsed.

Rebuilding the economy

Prospects for an economic recovery are dismal unless there is

official recognition of the large fiscal and monetary gaps, and a comprehensive, credible and sustainable reform programme is immediately implemented by a new Adib government. Such a programme needs to include immediate confidence building measures with an appropriate sequencing of reforms. The government must immediately passing a credible capital controls act to help restore confidence and encourage a return flow of remittances and capital inflows. Immediate measures need to be taken to cut the budget deficit, including by removing fuel subsidies and all electricity subsidies (which account for one-third of budget deficits). The removal of these subsidies is necessary to stop smuggling into neighbouring Syria, which has been a major drain on international reserves.

Monetary policy reform is needed to unify the country's multiple exchange rates, moving to inflation targeting and a flexible exchange rate regime. Multiple rates create market distortions and incentivise more corruption. In addition, the BdL will have to repair and strengthen its balance sheet, stop all quasi-fiscal operations and government lending. Credible reform requires a strong and politically independent regulator and policy-maker.

There is a need to restructure the public domestic and foreign debt (including BdL debt) to reach a sustainable debt to GDP in the range of 80 to 90% over the medium term; this implies a write down of some 60 to 70% of the debt. Given the exposure of the banking system to government and BDL debt, a debt restructuring implies a restructuring of the banking sector whose equity has been wiped out.

A bank recapitalization and restructuring process should top the list of reforms, including a combination of resolving some banks and merging smaller banks into larger banks. Bank recapitalisation requires a bail-in of the banks and their shareholders (through a cash injection, sale of foreign subsidiaries and assets) of some \$25 bn to minimise a haircut on deposits. As part of such far-reaching reforms, Lebanon needs a well-targeted social safety net to provide support for

the elderly and vulnerable segments of the population
Crucially, the new government needs to rapidly implement an agreement with the IMF. Lebanon desperately needs the equivalent of a Marshall Plan, a “Reconstruction, Stabilisation and Liquidity Fund’ of about \$30 to 35bn, along with policy reform conditionality.

A comprehensive IMF macroeconomic-fiscal-financial reform programme that includes structural reforms, debt, and banking sector restructuring would help restore faith in the economy in the eyes of the Lebanese diaspora, foreign investors/aid providers and help attract multilateral funding from international financial institutions and Cedre conference participants, including the EU and the Gulf Cooperation Council. This would translate into financing for reconstruction, access to liquidity, stabilise and revive private sector economic activity.

Without such deep and immediate policy reforms, Lebanon is heading for a lost decade, with mass migration, social and political unrest and violence. If the new government fails to act, Lebanon may turn into “Libazuela”!

Interview with Dubai TV (Arabic) on Lebanon, its dim prospects & Saudi Arabia, 21 Jun 2020

Dr. Nasser Saidi appeared in an interview with Zeina Soufan on Dubai TV, broadcast on 21st June 2020, discussing two segments – one, on Saudi Arabia (from 7:00 onwards) and the other on Lebanon and its dim prospects (from 17:00 onwards).

Both sections are part of the video below:

MENA-OECD Working Group on Investment and Trade meeting, 27-28 Nov 2018

Dr. Nasser Saidi participated in the MENA-OECD Working Group on Investment and Trade meeting held over 27-28 Nov 2018 at Dead Sea, Jordan.

Titled “Making trade and investment policies work for all”, the meeting’s first panel session discussed the state of play of investment and trade trends and reforms in the region in a changing world economy. It also took stock of the global debate on trade and investment, while analysing the impact on regional and national policies of the growing scepticism about the benefits of international economic co-operation, and looking at ways MENA countries and societies can better benefit from trade and investment.

Click [here](#) to download Dr. Saidi’s presentation which focused on the findings of the policy paper prepared for the OECD titled “[Trends in trade and investment policies in the MENA region](#)”.

"Markets, Oil & Trade Wars: Choppy Waters Ahead for the GCC", Presentation at the Institutional Investor Middle East Global Private Markets Forum, 18 Sep 2018

Dr. Nasser Saidi gave a closing keynote presentation titled "Markets, Oil & Trade Wars: Choppy Waters Ahead for the GCC" at the Middle East Global Private Markets Forum organised by Institutional Investor in Dubai on the 18th of September 2018. The presentation covered the global macroeconomic outlook and risks, and looked in depth at the reform and transition in the GCC given the backdrop of the New Oil Normal. The session also discussed the medium-term outlook for Saudi Arabia and GCC, and concluded with a few key takeaways. Click [here](#) to download the presentation.